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Proposed programme budget for the biennium 2008-2009

Section 13, International Trade Centre UNCTAD/WTO

Eleventh report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2008-2009

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget for the International Trade Centre UNCTAD/WTO (ITC) for 2008-2009 (A/62/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with the Executive Director and other representatives of ITC through videoconference and with representatives of the Secretary-General at Headquarters.

2. Pursuant to General Assembly resolution 59/276, a simplified budget fascicle was submitted in document A/62/6 (Sect. 13) with a preliminary estimate to accommodate the programme of activities of ITC for the biennium 2008-2009. In its first report on the proposed programme budget for the biennium 2008-2009,[1] the Advisory Committee recommended that, without prejudice to its consideration of the final submission of the detailed proposed programme budget for ITC, the General Assembly take note of the resources proposed in the preliminary budget estimate, including the request for three new Professional posts (1 P-4 and 2 P-2), the reclassification of a P-2 post to the P-4 level and the abolition of two General Service posts.

3. Information on the estimated requirements and projected income of ITC for the biennium 2008-2009 is provided in table 13.2 of the budget document (A/62/6 (Sect. 13)/Add.1). The budget is to be financed equally by the United Nations and the World Trade Organization, the two parent organizations of ITC. The Advisory Committee notes from the table that the requirements for the biennium are estimated at SwF 68,680,900, before recosting, representing an increase of SwF 311,500, or 0.4 per cent, compared with the appropriation for 2006-2007. The increase is due mainly to the proposed creation of four new Professional posts and

[1] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 7* (A/62/7), chap. II, para. IV.31.

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one reclassification (see para. 5 below). Miscellaneous income for the biennium is projected at SwF 700,000, an increase of SwF 230,000 in comparison with the estimate of SwF 470,000 for the current biennium. As indicated in paragraph 13.15 of the budget document, the estimated contribution from each parent organization for the biennium 2008-2009 would be SwF 34,526,200, after recosting, or $28,771,800 at the United Nations operational exchange rate for September 2007 of SwF 1.20 to US$ 1.

4. The Advisory Committee was informed of increases in estimated extrabudgetary resources that would complement provisions under the regular budget and enable ITC to implement technical cooperation projects. The requirements for the biennium 2008-2009 under the regular budget are estimated at SwF 69,752,200, after recosting, and extrabudgetary resources are estimated at SwF 96,000,000. Extrabudgetary expenditure for the biennium 2004-2005 was SwF 64,491,600, and the appropriation for the biennium 2006-2007 is SwF 80,418,200. As paragraphs 13.7 and 13.35 of the budget indicate, financial resources for trade-related technical assistance have increased exponentially, and the Centre has been identified as an important recipient of trade-related technical assistance by donors. As ITC will play a central role in delivering aid for trade, it will receive a larger volume of extrabudgetary funds in 2008-2009. Annual expenditure on technical assistance by ITC increased by 118 per cent between 2000 and 2006, compared with corresponding growth of regular budget expenditures by 17.3 per cent during the same period.

5. Post requirements for the biennium 2008-2009 are described in paragraphs 13.13, 13.33 and tables 13.3 and 13.5 of the budget document. The proposals contained in paragraph 13.13 regarding the creation of four new Professional posts (1 P-4 and 3 P-2), the redeployment and reclassification of one P-2 post to the P-4 level and the abolition of three General Service posts are as follows:

(a) The establishment of a P-4 post for a Senior Results-based Management and Evaluation Officer (Office of the Executive Director) to design and implement processes to monitor and report results and performance at the organizational level and support managers and staff;

(b) The establishment of a P-2 post for an Information Systems Developer (Division of Product and Market Development) to ensure that the trade information section has the resources and skills to develop and maintain new web-based information management tools;

(c) The establishment of a P-2 post for a Trade Information Officer (Division of Product and Market Development) to support trade information research and content development and to reinforce the capacity for an enquiry reply service;

(d) The establishment of a P-2 post for a Human Resources Officer (Division of Programme Support) to strengthen the capacity to review and develop human resources management approaches and provide coaching for improved productivity and performance within the results-based management context;

(e) The redeployment and reclassification of a P-2 post to the P-4 level for a Web Editor (from the Division of Programme Support to the Office of the Executive Director) to strengthen the Centre's communications function at the strategic level;

(f) The abolition of three General Service posts (2 in the Division of Product Market Development and 1 in the Division of Programme Support) that are no longer required as the functions of the posts have changed due to the increased use of digital information sources.

6. **The Advisory Committee recommends acceptance of the proposals outlined in subparagraphs (b) to (f) of paragraph 5 above for the reasons outlined by the Secretary-General in his report. With regard to the proposal for a new P-4 post outlined in paragraph 13.13 (a) of the report, the Committee is of the opinion that this function should be viewed as a collective effort of all departments concerned (see also para. 8 below) and, as such, the Committee is not convinced that the addition of such a post is required or would provide commensurate value.**

7. The requirements for non-post resources for the biennium 2008-2009 are estimated at SwF 16,102,700, before recosting, the same level as the appropriation for 2006-2007. The increase in requirements for other staff costs, training, furniture and equipment would be offset by a decrease in requirements for general operating expenses and for supplies and materials, as shown in paragraph 13.14 of the budget document.

8. The Advisory Committee notes from paragraph 13.25 of the budget document that ITC has started a change management process, following the findings of a comprehensive external evaluation and recommendations by the Office of Internal Oversight Services. A major part of this process is the implementation of results-based management. The Committee was informed that the Centre's move to results-based management and results-based budgeting was a work in progress and that ITC intended to achieve significant improvement in that regard in the presentation of the next biennial budget. **The Committee recommends that, in the process of adopting results-based management and results-based budgeting, ITC draw on the experience of and lessons learned by other organizations of the United Nations system.**

9. Upon enquiry, the Advisory Committee was informed that the Centre's customer relationship management and enterprise content management systems would be complementary to and fully integrated with the future United Nations enterprise resource planning system. The Committee was also informed that ITC had initiated discussions with the United Nations Office at Geneva on the inclusion of those services in the Memorandum of Understanding between ITC and the United Nations Office at Geneva and that, in pursuing its investment in the systems, ITC would align itself with the United Nations approach and services to the fullest extent possible. The Committee intends to follow up on this in the context of the report of the Secretary-General on the preparation for the enterprise resource planning system.

10. The Advisory Committee recalls that the new budget procedures introduced by General Assembly resolution 59/276 require ITC to continue to prepare two budget fascicles with the same financial and substantive information in different formats for submission to the United Nations and the World Trade Organization. The Centre should endeavour to harmonize the two documents in consultation with the United Nations and World Trade Organization secretariats. In its report on the biennial budget of ITC for 2006-2007 (A/60/7/Add.16, para. 12), the Committee requested that information on further efforts made and progress achieved in harmonization

should be reported in the context of the next budget submission, along with an evaluation of how the new procedures are working and have simplified and streamlined the budget presentation procedures. ITC reported, in table 13.6 of the budget document, that the new procedures had reduced the amount of work and duplication during the budget presentation process. Opportunities for further harmonization will be examined during the biennium 2008-2009 in the context of the ITC change management process.

11. **The Advisory Committee recommends that the General Assembly approve the proposed budget under section 13, International Trade Centre UNCTAD/WTO, of the proposed programme budget for the biennium 2008-2009, subject to the recommendations outlined in paragraph 6 above.**